



10 Year Capital Plan

REVISED FY 17 – FY21 REVENUES AND EXPENSES

EFFECT ON TAXPAYER OF PROPOSED REVENUE SOURCES

Revised Revenue sources

- ▶ Gross Receipts - eliminated increase of 1% in meals tax, increase by 2% rooms and alcohol tax
- ▶ Start new rates 12-2016
- ▶ Total reduced revenue: \$2,342,254
- ▶ Transfer to GF FY18 – FY21 to help pay for City economic development and promotional activities – lost revenue of \$400,000
- ▶ Waiting for vote on Gross Receipts until after the November 8, 2016 Special Meeting
- ▶ Traffic Fund – eliminated increase except approved FY17 – lost revenue of (\$2,500,000)
- ▶ Donation received in FY16 – added \$100,000

Revised Expenses

- ▶ Level funded curb work in FY21 due to staffing capacity concerns – saved \$250,000
- ▶ Sufficient capacity in plan to eliminate contingency fund FY18 – FY21: saved \$600,000
- ▶ Estimated will take part of FY22 to complete finishing touches to bike path – moved \$500,000 to FY22 – shifted \$500,000
- ▶ Moved Parks Projects out into later years – shifted \$531,000 due to staffing capacity concerns
- ▶ Cut transportation expansion in FY21 – saved \$400,000 due to staffing capacity concerns

Impact of Changes

- ▶ Revenues:
 - ▶ Reduced by \$4,742,254
- ▶ Expenses:
 - ▶ Reduced by \$2,281,000
 - ▶ Increased by \$400,000
- ▶ Net added Need to Borrow: \$2,861,254 from - \$24,712,254 to \$27,573,508

Impact on taxpayers owning median value home (\$231,500)

- Assumption of Grand List Growth of 1% p/y for FYs 18-19, then .8% FYs 20-21 and then .7% FYs 22-27

Tax amount in each year With 3 Interest Only Bonds	Tax amount in each year With No Interest Only Bonds
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FY 18 tax payment	\$14.97	\$26.33
FY 19 tax payment	\$42.26	\$67.02
FY 20 tax payment	\$70.52	\$106.16
FY 21 tax payment	\$87.27	\$122.63
FY 22 tax payment	\$74.05*	\$109.16*
FY 23 tax payment	\$91.49*	\$108.40*
FY 24 tax payment	\$112.28*	\$107.65*
FY 25 tax payment	\$129.07*	\$106.90*
FY 26 tax payment	\$128.17*	\$106.15 *
FY 27 tax payment	\$127.28*	\$105.42*

What can happen if you don't integrate subsurface infrastructure replacement with other capital programs...

Breaks



Road Patches



patch

Patches grow up to be potholes!

Streets with Water Main
Breaks after Paving (since 2009)

- Howard
- Pine
- Scarff
- S. Champlain
- Industrial
- S. Prospect
- St. Louis
- St. Paul
- Henry
- Brookes
- Hayward
- College

Water pipes typically break due to a combination of corrosion, soil movement and pressure fluctuations. Additionally, vibrations due to paving machinery can impact brittle pipes.

Rate Impact of Water Borrowing

\$8,344,000 Revenue bond

- ▶ Average water use = 755 cf or 5648 gallons/month; (9057 cf or 67750 gallons/year)
- ▶ Average annual cost of water with FY 17 rate = \$366.81
- ▶ Estimated Yearly Cost to Pay For borrowing
- ▶ (Average Single Family Home)
- ▶ FY 18 \$9.96
- ▶ FY 19 \$17.21
- ▶ FY 20 \$23.55
- ▶ FY21 \$30.79
- ▶ FY22 – FY472 \$30.79
- ▶ The debt service payment expense for the full \$8.344M in borrowing will result in a total cost increase for an average single family home of approximately \$30.79 (8.4%) over FY17 rates.